



Summary of CPUC Energy Efficiency Goals

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Key Goals Decisions since 2004

- D. 04-09-060: Established numeric goals for 2004-2013 based on the Secret Surplus goals study and the potentials study.
 - 70% of economic potential and 90% of maximum achievable potential for energy savings over 10 years.
 - Cumulative; and called out for use in long term planning.
- D. 07-09-043: Risk Reward Incentive Mechanism linked achievement of goals to earnings claims.
- D. 07-10-032: Clarified the definition of cumulative savings and recognized ways the utilities could maintain savings by repeating programs, promoting measures with longer lives, or achieving market transformation.
- D. 08-07-047: 2008 Goals Decision
 - Adopted a “Total Market Gross” strategy (vs. “net goals”) for 2012-2020
 - Numeric goals for 2012-20 adopted on interim basis, pending further study
 - Requires that 100% of TMG goal shall be used in long term procurement planning
 - Characterized existing 2009-2011 (now 2010-12) goals as “gross”.





Key Goals Decisions since 2004 (cont.)

- **D. 09-05-037 Interim Policy Decision on 2009-2011 program cycle**
 - Removed 2004-2005 goals from previous 2004-13 cumulative goals for methodological reasons
 - 22% and 26% decrement in natural gas goals for SDG&E and PG&E respectively to reflect the impact of interactive effects.
- **D. 09-09-047 Energy Efficiency Portfolio Decision for 2010-2012**
 - Applied additional 5% and 1% decrement on kWh and kW goals for SDG&E, PG&E, and SCE to reflect updates to ex-ante assumptions
 - Applied 25% decrement in electric goals for SDG&E to correct earlier methodological discrepancy
 - 2012 goal is continuation of 2004-13 goals, not start of more recent 2012-20 interim “Total Market Gross” goals
 - Clarified utilities to make up 50% of savings from measure decay, pending further study.





Tracking Achievement of Cumulative Goals

- **CPUC 2010-2012 Portfolio Review and Approval included assessment of IOU plans to achieve cumulative goals**
 - Reviewed IOU estimates of savings to “make-up” shortfall from the 2006-2008 period.
 - Considered both 100% and 50% scenarios of measure savings decay from the 2006-2008 program period.
 - CPUC-Approved IOU 2010-2012 program plans met or exceeded cumulative goals for the 2012.
- **Energy Division’s Verification Report (October 2009) accounted for the utilities shortfall in 2004-2005 program period in accounting for achievement of cumulative goals.**
 - Decay of measure savings from the 2004-2005 period were not incorporated due to data issues.
 - The shortfall based on evaluated results ranged from 64% to 91% of the GWh hour goals for the 2004-2005 program period.





Adjustments to CPUC goals since D.04-09-060.

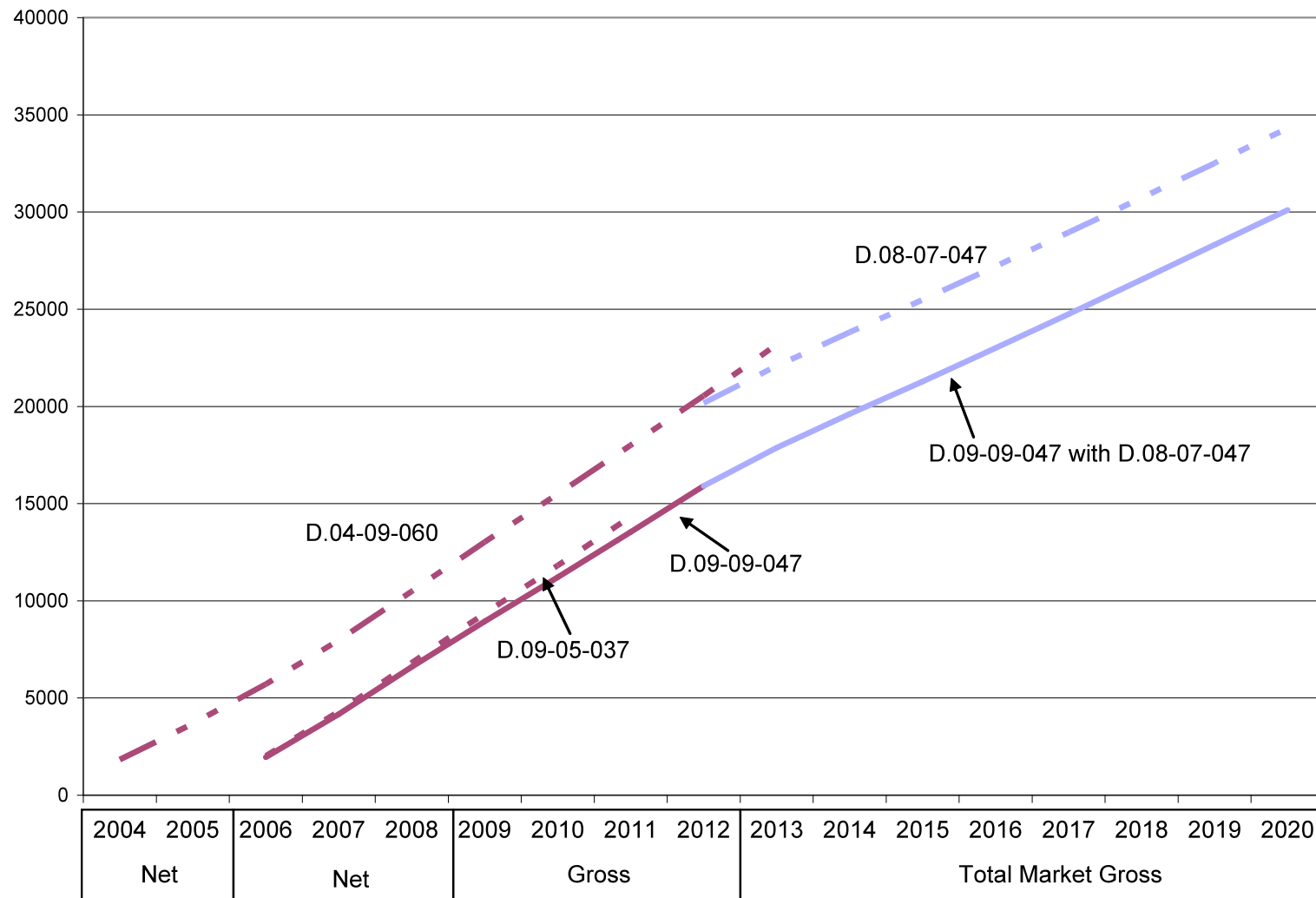
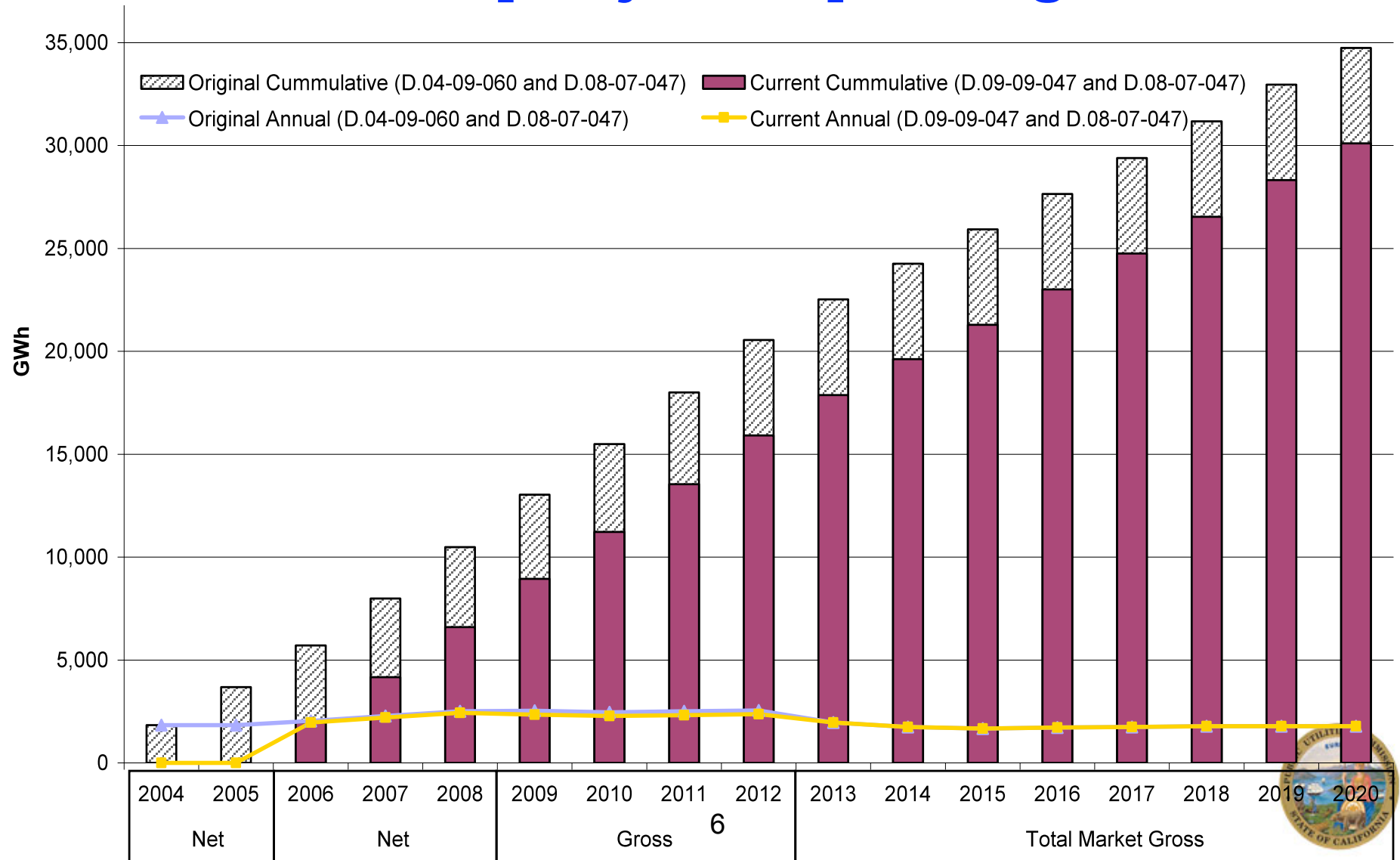


Figure 1. Changes to GWH Savings Goals [Projection] per decision



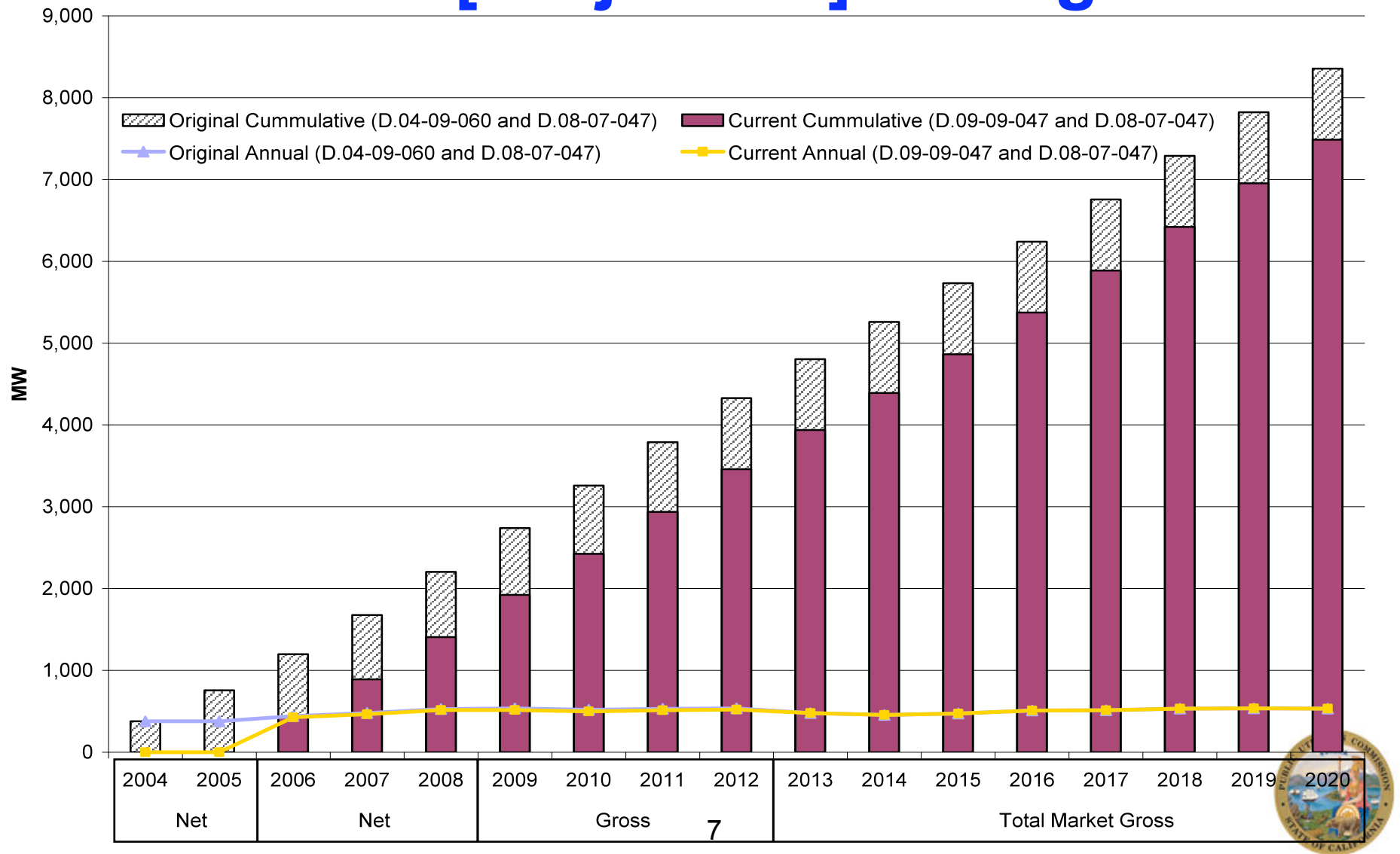


kWh Goals [Projection] through 2020





kW Goals [Projection] through 2020





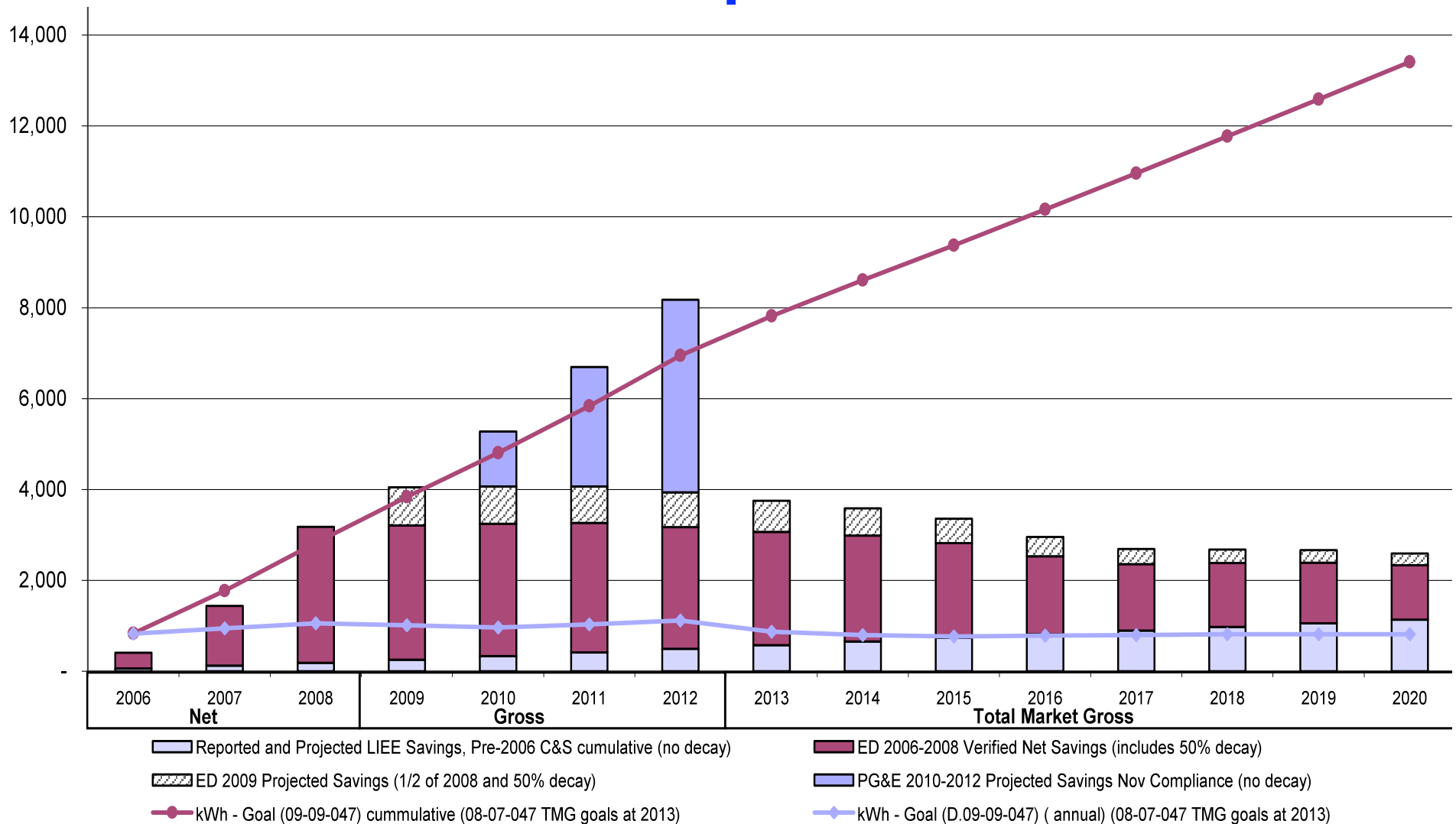
CPUC Approach for Tracking IOU Achievement of Goals

- Next slide reflects the recorded savings to date of PG&E compared to the projected goals
 - Projected goals (maroon line) superimposed on
 - Reported savings (net “verified” in 2006-2008 but not evaluated) (maroon stack); simulated 2009 (maroon stripe stack)
 - and “ex ante gross” estimated filed for 2010-2012. (blue stack)
- Measure savings decay of 2006-08 programs (and simulated 2009 programs) first year savings is shown by the shrinking maroon stack from 2008-2020.
- The savings persisting from the 2010-212 programs is not shown through 2020, nor are additional savings for 2013-2020.
- Other programs’ impacts outside of main utility EE portfolios count toward EE goals are also shown at the bottom
 - Low Income EE and 50% of pre- 2006 codes and standards



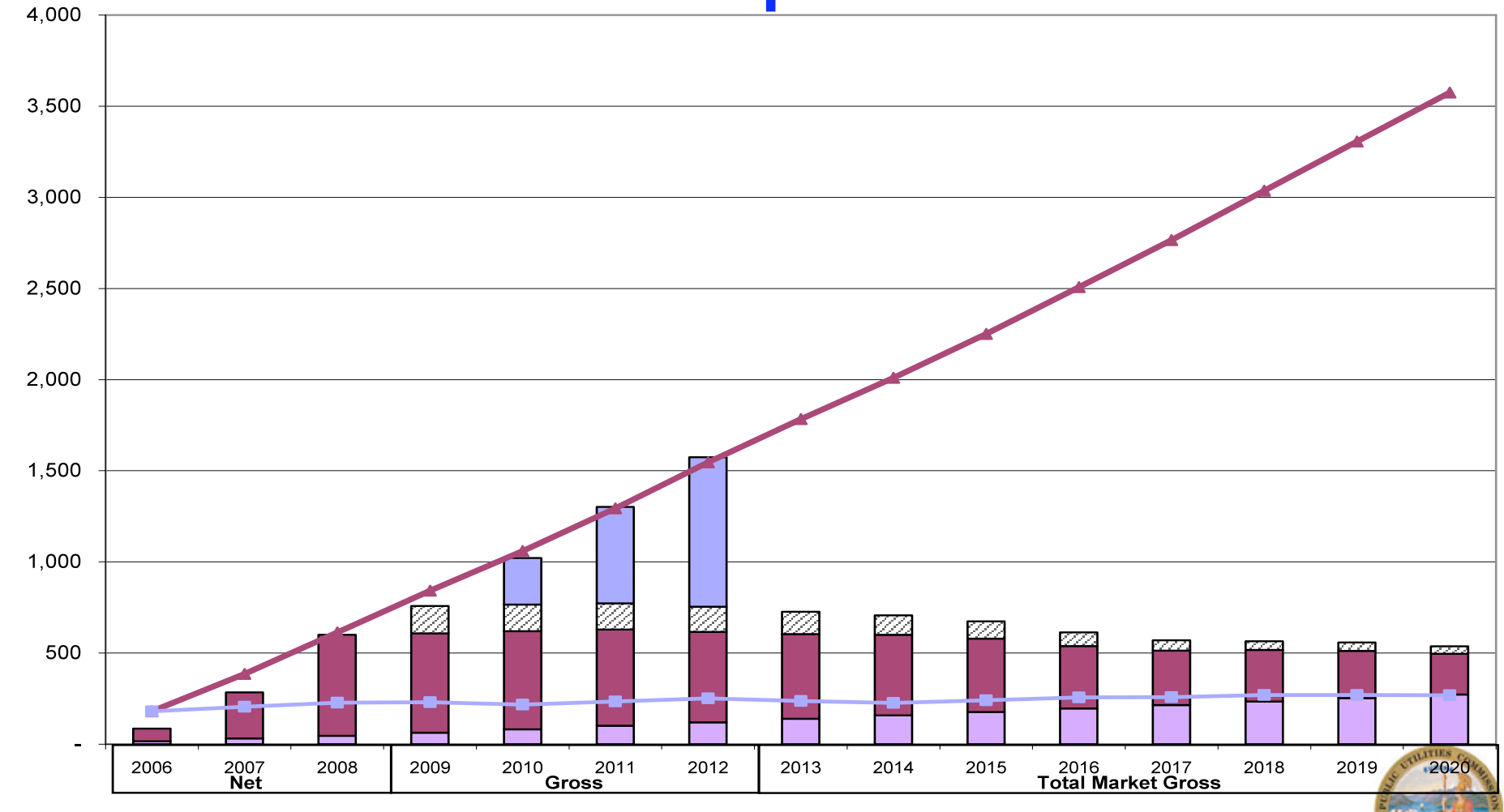


PG&E Recorded and Projected Savings v. Commission Adopted Goals GWh





PG&E Recorded and Projected Savings v. Commission Adopted Goals MW



Reported and Projected LIEE Savings, Pre-2006 C&S cumulative (no decay) ED 2006-2008 Verified Net Savings (with 50% decay)
 ED 2009 Projected Savings (1/2 of 2008, and with 50% decay)) PG&E 2010-2012 Projected Savings Nov 24 Compliance (no decay)
 kW - Goal (D. 09-09-047) Cumulative; 08-07-047 TMG Goals post 2013 kW - Goal (D. 09-09-047) Annual; 08 TMG goals past 2013